



Mission Statement

Secretarial Business Development Mission to China

November 13 – 17, 2006

I. MISSION DESCRIPTION

Secretary of Commerce Carlos M. Gutierrez will lead a senior-level U.S. business delegation to Beijing and Shanghai, China, November 13-17, 2006, to promote U.S. exports to China's leading industry sectors.

The Mission will focus on assisting U.S. companies that are experienced exporters enter the Chinese market for the first time as well as assist U.S. companies operating in China increase their current level of exports. The Mission will help participating firms gain market information, make business and government contacts, solidify business strategies, and advance specific projects, all geared towards the goal of helping U.S. firms expand their exports to China. The Mission will include business-to-business matchmaking appointments with local companies, as well as meetings with key government officials, and American and local chambers of commerce. The Mission will additionally provide a platform for policy and commercial issues — including intellectual property rights protection, transparency, and rule-of-law — that U.S. companies face in the Chinese market. The delegation will be comprised of U.S. firms representing a broad-cross section of U.S. industries with commercial interests in China.

Senior representatives of the U.S. Trade Development Agency (USTDA), the U.S. Export-Import Bank (Ex-Im), and the U.S. Small Business Administration (SBA), will be invited to participate, to provide information and counseling on their programs as they relate to the Chinese market.

II. COMMERCIAL SETTING

China is the fastest-growing major market in the world. It is now the third-largest trading nation and America's third-largest trading partner. Total bilateral trade with the U.S. in 2005 was \$243 billion. Total U.S. exports to China in 2005 were \$41 billion, an increase of 19 percent over 2004. Through May 2006, U.S. exports have grown 37 percent over the same period last year. As America's fourth-largest export market, China provides excellent opportunities for U.S. companies in a number of industries. For instance, China's telecommunications products and services import market is estimated to exceed \$20 billion this year. Other strong industry import markets include a \$10 billion market for semiconductor equipment, water and wastewater treatment market of \$8 billion, a \$7 billion market for automotive components, and a medical equipment market that will exceed \$4 billion this year. In addition, as one of the world's major energy users, China's power generation equipment import market is expected to surpass \$5 billion in

2006. Other leading export sectors identified by the U.S. Embassy in China include, air traffic control, safety and security, mining, construction, education, and machinery,

While many U.S. companies have been extremely successful in China, some have struggled or failed. Huge opportunities exist in China, but the business environment in the country remains difficult. Major challenges include intellectual property rights violations, a lack of transparency in rules and regulations, and inadequate rule-of-law. Some U.S. companies, especially small and medium-sized companies, underestimate the difficulty of entering and succeeding in this market. The Mission is designed to assist U.S. companies to identify the opportunities and address the challenges.

III. MISSION GOALS

The Business Development Mission will assist U.S. businesses initiate or expand their exports to China's leading industry sectors by making business-to-business introductions, providing market access information, and providing access to government decision makers. The Mission aims to:

- Assist U.S. companies that are experienced exporters enter China for the first time;
- Assist U.S. companies already operating in China increase their business there;
- Address obstacles to trade with China, including transparency, intellectual property rights protection, and rule of law;
- Provide information on U.S. Government trade financing programs, through the inclusion of representatives from USTDA, Ex-Im and SBA.

IV. MISSION SCENARIO

The Business Development Mission to China will include stops in Beijing and Shanghai. In each city, participants will:

- Meet with potential buyers, agents/distributors and partners;
- Meet with high-level government officials; and
- Attend briefings conducted by embassy officials on the economic and commercial climates.

Receptions and other business events will be organized to provide mission participants with further opportunities to speak with local business and government representatives, as well as U.S. business executives living and working in the region.

V. TIMETABLE

November 12-17, 2006

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| Nov 12 | Arrive Beijing |
| Nov 13 | Briefing on market conditions by U.S. Government officials |
| | Briefing by AmCham members and official meetings |
| Nov 14 | Matchmaking with local companies and official meetings. Reception hosted by Ambassador |
| Nov 15 | Travel to Shanghai |
| | Briefing on market conditions by U.S. Government officials and AmCham members. Official meetings |
| Nov 16 | Matchmaking with local companies. Reception hosted by Consul General |
| Nov 17 | Mission concludes |

VI. CRITERIA FOR PARTICIPANTS' SELECTION

The following criteria would apply to participant selection:

- Demonstrated export experience;
- Relevance of a company's business line to mission goals;
- Suitability of a company's products or services to the Chinese market and likelihood of a participating companies increasing its exports to China within a year as a result of this mission;
- Timeliness of the company's signed application materials and participation agreement (including the participation fee)*;
- Target of 20 to 30 participating companies on the Mission;
- Rank/seniority of the designated company representative;
- Diversity of company size, type, location, demographics, and traditional under-representation in business;
- Provision of adequate information on the company's products and/or services, and the company's primary market objectives, in order to facilitate appropriate pre-qualification of company by embassy staff; and
- Certification that the company meets Departmental guidelines for participation. A company's products or services should be either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

The participation fee will be \$8,500 per firm, which includes one representative. The fee for each additional firm representative is \$3,000. The option to participate in the Mission is also being offered to U.S.-based firms in China or the region; the same fee structure applies. Expenses for travel, lodging, and incidentals will be the responsibility of each mission participant.

Any partisan political activities (including political contributions) of an applicant are entirely irrelevant to the selection process.

*Upon completion of the application submission and review process, companies that have been selected to participate will be required to complete a participation agreement and pay a participation fee.

VII. TIMEFRAME FOR RECRUITMENT AND APPLICATIONS

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register, posting on the Commerce Department trade mission calendar (<http://www.ita.doc.gov/doctm/tmcal.html>) and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows. The Commercial Service will explore and welcome outreach assistance from other interested organizations, including other U.S. Government agencies.

The application deadline is September 15, 2006.

- Applications can be obtained from the U.S. Department of Commerce Office of Business Liaison (**Phone: 202-482-1360 e-mail: chinamission@doc.gov**) or from the Mission website at **<http://www.export.gov/chinamission>**.
- Completed applications should be submitted to the Office of Business Liaison. Applications received after September 15, 2006 will be considered only if space and scheduling constraints permit.

Domestic Contact Information

Office of Business Liaison

Tel: 202-482-1360